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9 **IN THE SUPERIOR COURT STATE OF ARIZONA**
10 **IN AND FOR THE COUNTY OF PIMA**

11 State of Arizona, ex rel. Thomas C. Horne,
12 Attorney General,

13 Plaintiff

14 vs.

15 LA PAZ SOURCE, LLC., an Arizona Limited
16 Liability Company; LA PLACITA MULTI
17 SERVICES, LLC., an Arizona Limited
18 Liability Company; MARIA BELTRAN and
19 FRANCISCO RAMOS, residents of the state of
20 Arizona, individually and as a marital
community; ABC CORPORATIONS One
Through Ten; and XYZ LIMITED LIABILITY
COMPANIES One Through Ten;

21 Defendants.

Case No. **C20 124 738**

**VERIFIED COMPLAINT FOR
INJUNCTIVE AND OTHER RELIEF**

(Unclassified Civil)

Hon.

Charles Harrington

22 Plaintiff State of Arizona *ex rel.* Thomas C. Horne, Attorney General ("the State"),
23 by and through its counsel undersigned, brings this action pursuant to the Arizona
24 Consumer Fraud Act, A.R.S. § 44-1521 *et. seq.*, and Arizona's Foreclosure Consultant
25 Statute at A.R.S. § 44-1378 *et seq.*, to obtain injunctive relief, civil penalties, attorney's
26 fees and costs, investigative expenses and other relief to prevent the unlawful acts and
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1 practices alleged in the Complaint and to remedy the consequences of such unlawful
2 practices. The State alleges as follows:

3 INTRODUCTION

4 This case involves a loan modification scheme perpetrated by Defendants to the
5 detriment of Arizona consumers in financial distress at a time when these consumers are in
6 danger of losing their homes. Defendants La Paz Source, LLC, Maria Beltran and
7 Francisco Ramos: (i) attracted consumers by representing that they were fully licensed and
8 bonded when they operated without proper licensure; (ii) charged exorbitant upfront fees
9 for mortgage loan modification services in violation of state and federal law; (iii) exploited
10 consumers' language barriers; (iv) failed to fulfill promises they made to consumers that
11 Defendants would prevent foreclosure and obtain loan modifications for consumers; (v)
12 gave detrimental advice to consumers to stop paying their mortgage, and to stop
13 communicating with their lender/servicer; (vi) failed to render goods and services for which
14 consumers had paid Defendants; and (vii) ardently refused to furnish duly owed refunds.

15 In an effort to evade state and federal laws regarding mortgage loan modification
16 services and bans on upfront fees, Defendants created a new company called La Placita
17 Multi Services, LLC. Defendants La Placita Multi Services, LLC and Maria Beltran
18 represented that they also had changed their business model to that of selling a Do-It-
19 Yourself loan modification program. A closer inspection reveals that, while Defendants'
20 contracts represent that they were selling a DIY product that would result in an affordable
21 loan modification, Defendants promised consumers verbally, in Spanish, that Defendants
22 would offer consumers the performance of mortgage loan modification services in the form
23 of technical support and customer service. After Defendants secured payment from the
24 consumer however, Defendants failed to deliver on their promises of mortgage loan
25 modification services beyond filling out and sending a loan modification application to
26 consumers' banks. Furthermore, Defendants failed to deliver on their promises that the
27 DIY product would obtain a favorable loan modification.
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1 12. Defendant Maria Beltran and Arturo Gomez Leon currently act as the
2 member/managers of La Placita.

3 13. Defendant Maria Beltran, an Arizona resident, acted as incorporator and
4 member/manager of Defendants La Paz and La Placita.

5 14. At all times relevant to this Complaint, Defendant Maria Beltran was a
6 member and/or manager of Defendants La Paz and La Placita and, acting alone or in
7 concert with others, with actual and/or constructive knowledge, approved, endorsed,
8 ratified, controlled or otherwise participated in the illegal acts and practices alleged herein.

9 15. At all times relevant to this Complaint, Defendant Francisco Ramos was a
10 member and/or manager of Defendant La Paz and, acting alone or in concert with others,
11 with actual and/or constructive knowledge, approved, endorsed, ratified, controlled or
12 otherwise participated in the illegal acts and practices alleged herein.

13 16. Upon information and belief, Defendants Maria Beltran and Francisco
14 Ramos are husband and wife.

15 17. Upon information and belief, Maria Beltran's and Francisco Ramos' actions
16 alleged herein were taken in furtherance of their marital community.

17 18. ABC Corporations one through ten and XYZ Limited Liability Companies
18 one through ten are companies whose identities are currently unknown, but that participated
19 in the acts alleged herein or engaged in other unlawful conduct in connection with
20 Defendants' businesses. Plaintiff respectfully requests leave of this Court to amend this
21 Complaint to join additional Defendants as their identities become known.

22 **THE LA PAZ AND LA PLACITA CONNECTION**

23 19. The State hereby re-alleges paragraphs one through eighteen as if set forth in
24 full herein.

25 20. Defendants Maria Beltran and Francisco Ramos formed La Paz on June 10,
26 2008.

1 21. The La Paz Defendants offered for sale, and sold, services that Defendants
2 represented would prevent or postpone foreclosure and obtain home loan modifications for
3 financially distressed consumers.

4 22. The La Paz Defendants stated that, in or about Fall of 2011, they changed
5 their business model from engaging in loan modification negotiations with lender/servicers
6 on behalf of consumers in distress to a model in which Defendants acted as retailers of a
7 Do-It-Yourself program called MAHA (Making All Homes Affordable, hereinafter
8 "MAHA").

9 23. The La Paz Defendants entered into contracts for the sale of the MAHA
10 program to La Paz consumers for roughly \$2,000 per household, plus a ninety-nine dollar
11 monthly charge for any technical support or customer service required after three months
12 from the execution of the one page MAHA contract (hereinafter MAHA Contract).

13 24. On November 3, 2011, Defendants Maria Beltran and Francisco Ramos
14 dissolved La Paz. *See Arizona Corporation Commission Files attached hereto as Exhibit*
15 *A.*

16 25. On that same day, Defendant Maria Beltran and Arturo Gomez Leon formed
17 La Placita. *Id.*

18 26. Defendant Maria Beltran was one of two member/managers of La Placita.
19 *Id.*

20 27. Defendant Francisco Ramos was an employee of La Placita.

21 28. Defendants La Placita, Maria Beltran and Francisco Ramos engaged in the
22 sale of services, in the form of the MAHA program.

23 29. Defendants La Placita, Maria Beltran, and Francisco Ramos also offered to
24 transact the sale of services, in the form of technical support and customer service, designed
25 to prevent or postpone foreclosure and obtain home loan modifications for financially
26 distressed consumers.

27 30. When Defendants Maria Beltran and Francisco Ramos dissolved La Paz
28 many of the consumers who had entered into contracts with La Paz still had outstanding

1 balances for fees owed to La Paz for their mortgage loan modification services, their
2 foreclosure consultant services, their mortgage assistance relief services, and/or their
3 participation in the MAHA program.

4 31. Some of the consumers whom La Paz charged upfront fees for mortgage loan
5 modification services never received a loan modification or the provision of all covered
6 services for which they paid.

7 32. Defendant La Paz asked some consumers who were charged upfront fees for
8 mortgage loan modification services to pay an additional fee and sign a "Transition of
9 Service" letter. *See Transition of Service Letter attached hereto as Exhibit B.*

10 33. The "Transition of Service" letter ostensibly seeks to nullify the contract with
11 La Paz and binds the consumer to the MAHA Contract.

12 34. After signing the MAHA contract, consumers were instructed to make all
13 outstanding installment payments called for within the MAHA contract to La Paz.

14 35. The La Paz Defendants stated that when consumers signed a MAHA
15 Contract that the agreement with La Paz Source was completely nullified. *See Letter to*
16 *Fernando S. dated February 3, 2012, p. 1, ¶ 3 Attached Hereto as Exhibit C.*

17 36. Other consumers who had outstanding contracts did not know how to contact
18 La Paz, until they found that Defendants Maria Beltran, Francisco Ramos and many of the
19 La Paz staff had merely moved office buildings and changed their name to La Placita.

20 37. La Placita accepted payments from consumers pursuant to the terms of the La
21 Paz agreements and issued receipts to those consumers with the La Placita name and
22 address on them.

23 38. In some instances, La Placita received payments pursuant to La Paz client
24 consulting agreements and provided loan modification assistance under the previously
25 existing agreements with La Paz.

26 39. Consumers worked with nearly the same principals and employees regarding
27 provision of the technical and customer support services under agreements with La Paz
28 even when doing business with La Placita.

40. Those consumers submitted payments payable to La Paz to La Placita.

41. The only items that materially changed were the location of business, the name on the receipts given to consumers for payments, contact information, the name on the door, and the fact that, while promising verbally, in Spanish, to provide mortgage loan modification services to the consumer as in the past, Defendants merely directed consumers to various portions of the MAHA program or participated in using the program to create a loan modification application to send to the consumers' banks.

42. While La Paz Defendants and La Placita Defendants represented that all contractual ties between consumers and La Paz Defendants were severed by the Transition of Service Letter and consumers became bound by the MAHA Contract, Defendants continued to receive payments from consumers and openly stated the following with respect to the consumers' loan modification application: "La Paz Source never stop [sic] helping them, we gave them support[.]" *See Letter to Fernando S. dated February 3, 2012, p. 1, ¶ 3 Attached Hereto as Exhibit C.*

ALLEGATIONS

A. Allegations Regarding La Paz Source, LLC, Maria Beltran and Francisco Ramos (June 10, 2008 through November 3, 2011):

43. The State hereby re-alleges paragraphs one through forty-two as if set forth in full herein.

44. Between June 10, 2008 through November 3, 2011, La Paz Defendants – under the name La Paz – represented that they acted on behalf of, and for the benefit of, consumers to perform foreclosure consultant and mortgage loan modification services, including without limitation:

- a. Contacting a creditor on behalf of a borrower;
- b. Arranging or attempting to arrange an extension of the period within which a homeowner may cure the homeowner's default and reinstate the homeowner's obligation pursuant to a note, mortgage or deed of trust;

- c. Arranging or attempting to arrange delay or postponement of the time of a foreclosure sale;
- d. Giving advice, explanation or instruction to a homeowner that relates to the cure of a default in or the reinstatement of an obligation secured by a mortgage or other lien on the residence in foreclosure, to the full satisfaction of the obligation or to the postponement or avoidance of a foreclosure sale.

45. From June 10, 2008 through July 2010 Defendants charged individual consumers total fees ranging from \$1,500.00 to \$4,000.00 for their mortgage loan modification services.

46. From the enactment of Arizona's Foreclosure Consultant Statute in July 2010 through November 3, 2011, La Paz Defendants charged individual consumers total fees ranging from \$1,500.00 to \$4,000.00 for their foreclosure consultant services.

47. From the effective date of the Federal Trade Commission's (hereinafter "FTC") Mortgage Assistance Relief Services Rule, at 16 C.F.R. § 322.1 *et seq.*, (hereinafter the "M.A.R.S Rule") banning upfront fees in January 2011 through November 3, 2011, La Paz Defendants charged individual consumers total fees ranging from \$1,500.00 to \$4,000.00 for their foreclosure consultant services.

48. La Paz Defendants required that all or a portion of these fees be paid upfront.

49. For example, but without limitation:

- a. In a contract signed on or about October 10, 2010, La Paz Defendants charged Francisco G. \$3,400 for their services with \$450 due upon signing the contract and the rest paid in installments over a ten month period. Not only did Defendants charge these fees upfront, but Francisco G. never received a loan modification and instead Francisco G. lost his home to foreclosure.
- b. In a contract dated December 20, 2010, La Paz Defendants charged and collected from Hugo V. a sum of \$2,400 for their services before any

1 work had been completed on the account. Hugo V. was not on title to the
2 property and was not even an obligee under the mortgage loan and
3 therefore no work could possibly have been done on Hugo V.'s behalf
4 with respect to the mortgage on the property. This fact did not stop
5 Defendants from unsuccessfully soliciting an additional \$1,500 from
6 Hugo V. in order to continue providing him with foreclosure consultant
7 services.

8 50. Most, if not all, "Consulting Services Agreements," (hereinafter "Consulting
9 Agreement") between La Paz Defendants and consumers contained standard language
10 calling for upfront fees due on signing.

11 2. Consulting Fee. A) In consideration of Consultant's performance of
12 Consulting Services, Client agrees to pay Consultant a consulting fee of
13 \$_____ (the 'consulting fee'), payable as follows: \$_____ due upon
14 execution of this agreement, and \$_____ due upon _____ [date].

15 *See Consulting Agreement section 2. "Consulting Fee", clause (a), attached hereto as*
16 *Exhibit D.*

17 51. La Paz Defendants' Consulting Agreement included a form titled
18 "Declaración De Información."

19 52. The Declaración De Información outlines the consumer's payment schedule
20 that Defendants used from, at least, January 2010 through November 2011.

21 53. After the enactment of Arizona's Foreclosure Consultant Statute in July 2010
22 and the effective date of the FTC M.A.R.S rule in January 2011, Defendants claimed,
23 demanded or received fees on a given date regardless of what work had or had not been
24 accomplished on the consumers' behalf by that listed due date. *See Declaración De*
25 *Información attached hereto as Exhibit E.*

26 54. After the State and federal upfront fee bans went into effect, Defendants
27 Maria Beltran and Francisco Ramos openly admitted that they have charged upfront fees
28 from homeowners in foreclosure before Defendants have furnished all covered services,

1 mortgage assistance relief services and before the consumer has received and accepted a
2 loan modification from their lender by stating:

3 “We are not paid for the final results of a negotiation process; we are not paid
4 to meet a client’s expectations. We are paid for our time and effort.”

5 *See Letter to Fernando S. dated February 3, 2012, p. 1, ¶ 3 Attached Hereto as Exhibit C;*
6 *See also Letter to Claudia C. dated May 31, 2011, p. 2, ¶¶ 2-3; and Miguel I. dated*
7 *September 12, 2011, p. 2, ¶¶ 1-2, Attached Hereto as Exhibit F.*

8 55. In correspondence dated June 20, 2011, Southern Arizona Legal Aid (SALA)
9 sent a demand letter, on behalf of their client Jorge M., to Defendants La Paz, Maria
10 Beltran, and Francisco Ramos putting Defendants on notice that charging upfront fees for
11 foreclosure consulting, and mortgage assistance relief services was prohibited by law and
12 that Jorge M. was entitled to a refund. *See Demand Letter from SALA dated June 20, 2011,*
13 *p. 1 ¶ 2, attached hereto as Exhibit G.*

14 56. In correspondence dated November 14, 2011 and December 12, 2011 the
15 State sent letters to La Paz Defendants, return receipt requested, regarding a consumer
16 complaint by Hugo V. that put Defendants on notice of the upfront fee ban in the Arizona
17 Foreclosure Consultant statute and the Federal Trade Commission’s M.A.R.S rule. The
18 State sent the second letter after multiple unsuccessful attempts to deliver the first letter to
19 Defendants’ statutory agent and office locations. *See Letter Regarding M.A.R.S rule dated*
20 *December 12, 2011 attached hereto as Exhibit H.*

21 57. The La Paz Defendants accepted delivery of the December 12, 2011 letter by
22 signing the certified mail receipt on December 13, 2011.

23 58. After receipt of these letters, La Paz Defendants continued collecting upfront
24 fees for foreclosure consulting, and mortgage assistance relief services offered to Arizona
25 consumers. For example, but without limitation:

- 26 a. In a contract dated February 11, 2011, La Paz Defendants arranged to
27 charge Maria C. \$2,400 for their services by charging \$1,200 on the date
28 the parties signed the contract and another \$1,200 to be paid on March
11, 2011. Before Defendants completed all of the covered services for

1 which Defendants contracted with Maria C. and before Maria C. received
2 or accepted a loan modification from her lender, Defendants charged her
3 an additional \$1,648.49 to enroll in the MAHA program offered by
4 Defendants. Maria C. paid Defendants a total of \$4,048.49, but never
5 received and accepted a loan modification from her servicer as a result of
6 Defendant's efforts.

7 59. La Paz Defendants led consumers to believe that Defendants were experts in
8 the field of home loan mortgages and mortgage loan modifications who possessed
9 specialized knowledge in that field on which consumers should rely.

10 60. After the enactment of the pertinent statutes, La Paz Defendants did not
11 notify consumers that the collection of upfront fees for foreclosure consultant and mortgage
12 assistance relief services was prohibited by state and federal law before collecting upfront
13 fees from consumers.

14 61. Contrary to La Paz Defendants' direct and/or indirect representation to
15 consumers that Defendants were compliant with state law, it was Defendants' business
16 practice to charge upfront fees in violation of A.R.S. § 44-1378 *et seq.*

17 62. Contrary to La Paz Defendants' direct and/or indirect representation to
18 consumers that Defendants were compliant with federal law, it was Defendants' business
19 practice to charge upfront fees in violation of the Federal Trade Commission's Mortgage
20 Assistance Relief Services Rule 16 C.F.R § 322.1 *et seq.*

21 63. La Paz Defendants often conveyed that they were fully licensed and bonded
22 to perform loan originator and mortgage loan modification services, including foreclosure
23 consultant services in the State of Arizona.

24 64. Many of La Paz Defendants' advertisements targeted Spanish-speaking
25 populations in the State of Arizona via radio, leaflets, and visual media including, without
26 limitation, television and internet advertising.

27 65. Many of La Paz Defendants' clients did not read or speak English
28 proficiently, if at all.

1 66. La Paz Defendants provided Consulting Agreements written almost entirely
2 in English.¹

3 67. La Paz Defendants verbally and routinely guaranteed consumers specific
4 results from the negotiation process in Spanish while Defendants' Consulting Agreement,
5 written in English, disclaimed any guarantee or promise of a specific result.

6 68. When consumers spoke with La Paz Defendants, Defendants reassured them
7 verbally and in writing that Defendants would act on the consumers' behalf and in their best
8 interest to successfully obtain a loan modification.

9 69. Contrary to La Paz Defendants' assertions that they were acting on behalf of,
10 and in the best interest of, consumers, Defendants willfully advised consumers to take
11 courses of conduct that put consumers at a greater risk of adverse consequences, including
12 foreclosure and a lowered credit rating. For example, but without limitation:

13 a. Defendants routinely advised consumers verbally, in Spanish, that they
14 should stop paying their monthly mortgage payments in order to become
15 delinquent.

16 b. Defendants verbally, in Spanish, advised their clients not to have any
17 contact or communication with their loan servicer.

18 70. When consumers ceased paying their monthly mortgage payment, they were
19 put at a greater risk of foreclosure and at a greater risk of a degraded credit rating.

20 71. When consumers ceased communications with loan servicers who sought to
21 work out a loss mitigation solution to address the consumers' inability to pay their monthly
22 mortgage payment, consumers were put at a greater risk of foreclosure.

23 72. La Paz Defendants promised or guaranteed consumers that Defendants could
24 obtain certain outcomes. For example, but without limitation:

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27 ¹ The only document in the Consulting Agreement that was typically offered in Spanish was the "Declaración De
28 Información." But, the rest of the Consulting Agreement, which binds the parties, was in the English language.

1 a. Defendants verbally promised some consumers, in Spanish, that they
2 would save the consumers' property from foreclosure.

3 b. Defendants verbally promised many consumers, in Spanish, that they
4 would obtain a loan modification with a lower monthly payment.

5 73. La Paz Defendants did not achieve the results they promised each consumer.

6 74. Through their advertising and verbal communications to consumers that La
7 Paz Defendants were experts in the field of mortgage loan modification services who
8 possessed specialized knowledge in that field, La Paz Defendants directly and/or indirectly
9 conveyed to consumers that they had the proper authority to conduct foreclosure consultant
10 and mortgage assistance relief services through compliance with State and Federal law.

11 75. In fact, however, La Paz Defendants did not, and do not, have proper
12 authority or licensure as loan originators pursuant to A.R.S. § 6-991 *et seq.* to enter into
13 such transactions. *See CID Response Excerpt to Demand #4 attached hereto as Exhibit I².*

14 76. As of the date of filing this Complaint, neither Defendant Maria Beltran nor
15 any other employee of Defendants has been, or currently is, listed as a licensee licensed as a
16 loan originator with the Nationwide Mortgage Licensing System (NMLS) as required by
17 Arizona law to perform mortgage loan modification services, that included loan originator
18 services.

19 77. After consumers paid La Paz Defendants a down payment and issued
20 Defendants a number of post-dated checks or made installment payments, Defendants
21 became virtually unreachable for information regarding the status of consumers' loan
22 negotiations.

23 78. In fact, Defendants failed to answer the telephone or return phone calls from
24 consumers.

25
26 ² On May 10, 2011, the State issued a Civil Investigative Demand (CID) asking Defendants, in demand #4, to
27 "[i]dentify and provide a copy of any business license ... or any other licenses issued to La Paz by the State [of]
28 Arizona or any government entity within the State." On July 1, 2011, Defendant Maria Beltran answered demand
#4 of the CID on behalf of La Paz, a copy of which is attached hereto as Exhibit I.

1 79. Due to La Paz Defendants' lack of communication regarding consumers'
2 home loans, some consumers contacted their mortgage servicers and learned that
3 Defendants had either not made contact with the servicers or had only engaged in a
4 negligible amount of communication with the servicers.

5 80. For example, but without limitation, La Paz Defendants claimed that they
6 had worked on a consumer's case by completing and sending in an application for loan
7 modification to the consumer's lender/servicer yet the consumer had not submitted a single
8 document to Defendants regarding the consumer's hardship or any of his financial records,
9 which is routinely required to accompany an application for a loan modification.

10 81. La Paz Defendants charged consumers, what purported to be, a sales tax but
11 never remitted the funds paid by consumers to the Arizona Department of Revenue or any
12 other duly authorized taxing authority.

13 82. As member/managers of Defendant La Paz, Defendants Maria Beltran and
14 Francisco Ramos, with actual and/or constructive knowledge, working alone or in concert
15 with others, approved, endorsed, directed, ratified, controlled or otherwise participated in
16 the illegal acts and practices alleged herein.

17 B. Allegations Regarding La Placita Defendants and Defendant Francisco Ramos
18 (November 3, 2011 to the Present):

19 83. The State hereby re-alleges paragraphs one through eighty-one as if set forth
20 in full herein.

21 84. The very day that La Paz Defendants dissolved La Paz as a business entity
22 performing mortgage loan modification services, including foreclosure consultant services
23 and mortgage assistance relief services, Defendant Maria Beltran and Arturo Gomez Leon
24 formed La Placita Multi Services, LLC.

25 85. Defendant La Placita has employed Defendant Francisco Ramos since it was
26 formed in November 2011.

27 86. La Placita Defendants represented that they offered tax preparation services.
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1 87. La Placita Defendants also represented that they were an authorized retail
2 outlet for a program called MAHA and promised many consumers that the use of MAHA
3 would result in a successful, affordable, loan modification.

4 88. La Placita Defendants' *contracts* claimed that MAHA is a Do-It-Yourself
5 program sold to consumers so that consumers can prepare their own loan modification
6 applications with their lender/servicers and engage in their own loan modification
7 negotiations.

8 89. La Placita Defendants conveyed to consumers *verbally*, in Spanish, that
9 Defendants would continue to offer consumers mortgage loan modification services,
10 including foreclosure consulting services and mortgage assistance relief services, in the
11 form of technical support and customer service support for those MAHA consumers who
12 had questions regarding the program or the loan modification application process.

13 90. Many of La Placita Defendants' consumers did not read or speak English
14 proficiently, if at all.

15 91. La Placita Defendants issued a one page contract regarding MAHA, which
16 purported to contain the agreement between Defendants and the consumer regarding the
17 sale of the MAHA program and the rights and obligations of the parties. *See MAHA*
18 *Contract attached hereto as Exhibit J.*

19 92. The MAHA Contract represented that consumers purchased two separate
20 items under the MAHA Contract, for the purchase price: (i) a service in the form of the
21 access to the MAHA program – a website run by MAHA; and (ii) a service in the form of
22 technical and customer service support in which the consumers could consult with La
23 Placita agents to obtain aid in using the program and navigating the loan modification
24 application process.

25 93. The MAHA Contract required an immediate payment of all or part of the
26 purchase price of the MAHA program at the time the consumer signed the contract but
27 before the La Paz Defendants furnished any services to the consumer.
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1 94. The MAHA Contract contained a "Disclaimer Disclosure" section with
2 clauses stating, among other provisions, that:

- 3 a. "Client fully understands that after the purchase of this product, he or she is
4 not entitled to any type of refund regardless of the outcome of the Loan
5 Modification."
6 b. "Clients understand that the 'MAHA Do It Yourself' DIY program is a
7 system that allows the client/purchaser to structure his or her own loan
8 modification by themselves [sic], MAHA representatives or associates do not
9 participate in the preparation of the client's loan modification process."
10 c. "Client understands that MAHA is not 100% guaranteeing a successful loan
11 modification and releases MAHA from any liability in case that a Loan
12 Modification is not achieved."
13 d. "Client certifies that he or she received an explanation in Spanish by a
14 MAHA representative and understood the information given throughout this
15 contract."
16 e. "Clients will have access to their MAHA program indefinitely, however
17 technical support will only be available for 3 months. After these 3 months
18 have elapsed, a charge of \$99.00 a month will apply to have access to this
19 service."
20 f. "Technical Support includes the ability to ask questions and receive prompt
21 answers via e-mail to our staff of experienced agents."
22 g. "Our agents aid the customer in the understanding of the MAHA program."

23 95. In reality, after the consumer paid between \$500 and \$2,000, the La Placita
24 Defendants did not provide the consumer with the services La Placita Defendants
25 represented they would provide.

26 96. Instead, consumers had to meet with La Placita Defendants and their agents.

27 97. During the meetings, Defendants – and in some cases not the consumers –
28 used the MAHA program to generate portions of the loan modification application.

1 98. Some of La Placita Defendants' consumers could only use the MAHA
2 website at La Placita's office, while other consumers were given a logon password to use
3 from their computers at home.

4 99. Once consumers paid for the MAHA program they discovered that it
5 consisted of nothing more than forms and information, on MAHA's own website, that were
6 readily available, free of charge, on government websites.

7 100. Under the guise of "technical support," the La Placita Defendants and
8 Defendant Francisco Ramos provided mortgage assistance relief services to consumers by
9 asking the consumers questions, collecting consumers' financial information, and filling in
10 the electronic forms on behalf of the consumer, which Defendants would then send on
11 consumers' banks for the purpose of attempting to assist consumers with the prevention of
12 foreclosure and securing a loan modification.

13 101. Once La Placita Defendants completed the forms, obtained copies of the
14 consumer's financial paperwork and compiled the application packet, Defendants
15 sometimes sent the packet to the consumer's lender/servicer on behalf of the consumer and
16 instructed the consumer to make future inquiries with Defendants, and not their
17 lender/servicer, regarding the status of the loan modification.

18 102. Once La Placita Defendants received full payment, Defendants ceased or
19 severely limited their contact with the consumer.

20 103. The consumers remained in the dark regarding the status of their loan
21 modifications and nothing further was done on consumers' behalf.

22 104. La Placita Defendants, Defendant Francisco Ramos and their agents asserted
23 verbally – in Spanish – the opposite of what many of the terms of the MAHA Contract,
24 written in English, stated.

25 105. In contradiction to the verbal promises of La Placita Defendants, the MAHA
26 program, as proffered by La Placita Defendants, did not include negotiations with
27 consumers' banks beyond the creation of the loan modification application La Placita
28 Defendants sometimes sent to consumers' banks.

1 106. In contradiction to the terms of the MAHA Contract, written in English, La
2 Placita Defendants and their agents affirmatively guaranteed consumers verbally, in
3 Spanish, that the consumers would obtain a specific, positive result from using the MAHA
4 program, including without limitation: (i) prevention or postponement of a foreclosure sale;
5 and (ii) that the services would save the consumer's residence from foreclosure.

6 107. In contradiction to the terms of the MAHA Contract written in English, La
7 Placita Defendants and their agents did not accurately and fully explain the terms of the
8 MAHA Contract in Spanish to consumers before consumers purchased the product.

9 108. Despite La Placita Defendants' assertions that they were acting on behalf of
10 and for the benefit of consumers, La Placita Defendants and their agents instructed
11 consumers verbally, in Spanish, to cease paying their monthly mortgage loan payments,
12 stating that this was necessary to obtain a loan modification.

13 109. La Placita Defendants have refused to give refunds to those consumers
14 demanding refunds due to Defendants' failure to deliver promised goods and services,
15 dissatisfaction with the MAHA program and/or those who claim that Defendants
16 misrepresented the nature and efficacy of the MAHA program.

17 110. Defendants, directly or indirectly, solicited, represented to or offered
18 consumers, for compensation, the performance of services, which are "merchandise" under
19 Arizona's Consumer Fraud Act.

20 111. Defendants used spaces on the MAHA Contract to notate future installment
21 payments consumers were to pay, where applicable, which showed that Defendants
22 claimed, demanded or received fees on a given date regardless of what work they had or
23 had not accomplished on the consumers' behalf by the listed due date.

24 112. La Placita Defendants led consumers to believe that Defendants were experts
25 in the field of home loan mortgages and mortgage loan modifications who possessed
26 specialized knowledge in that field on which consumers should rely.

27 113. By broadly advertising their services, holding themselves out to consumers
28 as experts in the field of mortgage loan modifications and entering into agreements to

1 provide the MAHA program and support services, La Placita Defendants directly and/or
2 indirectly conveyed to consumers that they had the proper legal authority to enter into these
3 transactions through compliance with Federal law.

4 114. La Placita Defendants failed to disclose to consumers that their collection of
5 upfront fees for mortgage assistance relief services was prohibited by federal law before
6 collecting upfront fees from consumers.

7 115. La Placita Defendants failed to disclose the fact of the upfront fee ban with
8 the intent that consumers rely on the omission of that material fact.

9 116. Contrary to La Placita Defendants' direct and/or indirect representations to
10 consumers that Defendants were experts in the field of mortgage loan modification services
11 possessing specialized knowledge of the field and therefore compliant with federal law, it
12 was Defendants' business practice to charge upfront fees in violation of the Federal Trade
13 Commission's M.A.R.S Rule.

14 117. In correspondence dated March 30, 2012, the State sent a letter to La Placita
15 Defendants, return receipt requested, regarding a consumer complaint by Frank V. that put
16 Defendant La Placita on notice, and Defendant Maria Beltran on second notice, of the
17 upfront fee ban in the Federal Trade Commission's M.A.R.S rule. *See Letter Regarding*
18 *M.A.R.S rule dated March 30, 2012 attached hereto as Exhibit K.*

19 118. La Placita Defendants accepted delivery of the March 30, 2012 letter by
20 signing the certified mail receipt on April 4, 2012. *Id.*

21 119. La Placita Defendants charged consumers, what purported to be, a sales tax
22 but never remitted the funds paid by consumers to the Arizona Department of Revenue or
23 any other duly authorized taxing authority.

24 120. As a member/manager of Defendant La Placita, Defendant Maria Beltran,
25 with actual and/or constructive knowledge, approved, endorsed, directed, ratified,
26 controlled or otherwise participated in the illegal acts and practices alleged herein.

27 121. The events alleged herein regarding Defendants La Paz Source, Maria
28 Beltran and Francisco Ramos occurred from November 2008 through November 2011.

122. The events alleged herein regarding La Placita Defendants and Defendant Francisco Ramos occurred, and have continued to occur, since November 2011.

COUNT I

VIOLATION OF A.R.S § 44-1521 et seq.: ARIZONA'S CONSUMER FRAUD ACT

123. The State hereby re-alleges paragraphs one through one hundred twenty-one as if set forth in full herein.

124. Defendants engaged in the use of deception, deceptive acts or practices, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with Defendants' advertisement, sale or delivery of services in violation of A.R.S. § 44-1522(A).³ These acts included, but are not limited to the acts described below.

- a. Defendants targeted the Spanish-speaking community in Arizona and obtained a benefit through the deceptive exploitation of the consumers' Spanish/English language barrier.
- b. Defendants deceptively held themselves out as acting on behalf of, and for the benefit of, consumers while at the same time Defendants advised consumers to take actions adverse to the consumers' own interests.
- c. Defendants falsely promised or guaranteed consumers a satisfactory outcome or a specific result to the foreclosure prevention and/or loan modification efforts and failed to deliver on those guarantees or promises.
- d. Defendants misrepresented, directly or indirectly, that they were authorized to transact loan originator, foreclosure consultant and/or mortgage assistance relief services when they were not so authorized.

³ A violation of the Consumer Fraud Act means, "[t]he act, use or employment by any person of any deception, deceptive act or practice, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise whether or not any person has in fact been misled, deceived or damaged thereby, is declared to be an unlawful practice." A.R.S. §44-1522(A).

- 1 e. Defendants deceptively represented, directly or indirectly, that they were
2 compliant with state and federal laws when they were not compliant with
3 state and federal laws.
- 4 f. With the intent that others rely on their omission, Defendants failed to
5 disclose the material fact that State and federal law prohibited the collection
6 of upfront fees for foreclosure consultant and mortgage assistance relief
7 services respectively, before collecting such upfront fees.
- 8 g. Defendants misrepresented, directly or indirectly, to consumers that
9 Defendants were lawfully entitled to collect upfront fees for foreclosure
10 consulting services and mortgage assistance relief services despite the State
11 and federal prohibition on charging upfront fees for such services.
- 12 h. Defendants deceptively represented that they were actively working on
13 consumers' accounts when they were not actively working on those accounts
14 or had only performed a negligible amount of work.
- 15 i. Defendants misrepresented the nature of fees charged to consumers as a sales
16 tax by retaining those fees, which consumers believed were charged to pay
17 sales tax obligations, and failing to remit all or a portion of the fees to the
18 proper taxing authority.

19 125. With regard to the foregoing violations, Defendants knew or should have
20 known that the above acts and practices violated the Consumer Fraud Act, and those
21 violations were, therefore, willful within the meaning of A.R.S. § 44-1531(A)⁴.
22
23
24
25
26

27 ⁴ “[A] willful violation occurs when the party committing the violation knew or should have known that his
28 conduct was of the nature prohibited by §44-1522.” *A.R.S. §44-1531(B)*.

1 COUNT II

2 VIOLATION OF A.R.S § 44-1378 et seq.: ARIZONA'S FORECLOSURE

3 CONSULTANT STATUTE

4 126. The State hereby re-alleges paragraphs one through one hundred twenty-four
5 as if set forth in full herein.

6 127. La Paz Defendants routinely violated the Arizona Foreclosure Consultant
7 Statute at A.R.S. § 44-1378.02 by engaging in the following conduct:

8 a. La Paz Defendants claimed, demanded, charged, collected or received
9 compensation from consumers, some of whose homes were in foreclosure
10 proceedings, before the Defendants had fully performed each covered service
11 that the Defendants contracted to perform or represented that the Defendants
12 would perform. Indeed, La Paz Defendants often charged an upfront
13 deposit/fee before starting any work on the case regardless of whether any
14 provision in the contract called for such a deposit.

15 b. La Paz Defendants' practice of charging upfront fees, both, predated and
16 postdated the enactment of the Arizona Foreclosure Consultant Statute in
17 July of 2010.

18 128. A.R.S. § 44-1378.07(B) states the following:

19 An act or practice in violation of this article constitutes an
20 unlawful practice under § 44-1522. The attorney general may
21 investigate and take appropriate action as prescribed by
22 chapter 10, article 7 of this title.

23 PRAYER FOR RELIEF

24 The State of Arizona respectfully requests that this honorable Court enter an Order:

25 A. Issuing a permanent injunction prohibiting all Defendants, their agents,
26 employees, and all other persons or entities, corporate or otherwise, in active concert or
27 participation with any of them, from violating A.R.S. § 44-1521 et seq., A.R.S. § 44-1378
28 et seq. or engaging in the unlawful acts and practices alleged in the Complaint.

1 B. Issuing a permanent injunction prohibiting all Defendants from operating
2 entities or businesses that provide mortgage loan modification service, foreclosure
3 consultant services as defined by A.R.S. § 44-1378 *et seq.*, and mortgage assistance relief
4 services as defined by 16 C.F.R § 322.1 *et seq.*, in, into, or from the State of Arizona.

5 C. Ordering all Defendants to pay the State of Arizona a civil penalty of up to
6 \$10,000.00 for each violation of the Arizona Consumer Fraud Act, pursuant to A.R.S. § 44-
7 1531 and for each violation of the Arizona Foreclosure Consultant Statute, pursuant to
8 A.R.S. § 44-1378 *et seq.*

9 D. Ordering all Defendants to restore to all Arizona consumers any money and
10 property acquired by any unlawful means or practice alleged in the Complaint, as deemed
11 appropriate by the Court pursuant to A.R.S. § 44-1528.

12 E. Ordering all Defendants to pay the State of Arizona its costs of investigation
13 and prosecution of this matter, including reasonable attorneys' fees, pursuant to A.R.S. §
14 44-1534.

15 F. Granting such other and further relief as the Court deems just and proper.

16 DATED this 1st day of August, 2012.

17 THOMAS C. HORNE
18 ATTORNEY GENERAL

19 By Jeremy Shorbe
20 Jeremy Shorbe
21 Assistant Attorney General
Attorney for Plaintiff

22 An original of the foregoing was filed this
23 1st day of August, 2012, with:

24 Honorable Charles Harrington
25 Pima County Superior Court
26 110 West Congress
27 Tucson, Arizona 85701

28 Copy delivered via email and first class mail
this 1st day of August, 2012 to:

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La Placita Multi Services, LLC

Attn: Statutory Agent Arturo Gomez Leon

2535 S. Aztec Point Trail

Tucson, Arizona 85748

La Placita Multi Services, LLC

Attn: Maria Beltran, Francisco Ramos, and Arturo Gomez Leon

4072 E. 22nd Street

Tucson, Arizona 85711

Defendants in Propria Persona

LaPlacitaMultiServicesllc@Yahoo.Com

Phx-#2709424

1
2 STATE OF ARIZONA)
3) §.
4 County of Maricopa)

5 The undersigned hereby certifies that she is a Legal Assistant with the Arizona
6 Attorney General's Office. In that capacity, she is authorized to make this affidavit on
7 behalf of the State; that she has read the foregoing Complaint and knows the contents
8 thereof, and the same are true to the best of her knowledge, information and belief, as set
9 forth therein.

10 DATED this 1st day of August, 2012.

11
12 Barbara Vega
13 Barbara Vega, Legal Assistant
14 Office of the Attorney General

15 SUBSCRIBED AND SWORN to before me this 1st day of August, 2012.

16
17 Yolanda U. Leon
18 Notary Public

19 Commission Expires:

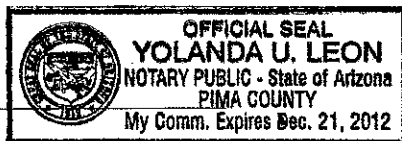


EXHIBIT A

EXHIBIT A

Arizona Corporation Commission
State of Arizona Public Access System

04/16/2012

2:59 PM

Please Note

Information listed in the History Corporate Inquiry may not reflect the most up to date information on record with the Commission. Please contact the Customer Service Call Center at 602-542-3026 for additional information.

Jump To...[Scanned Documents](#) [Microfilm](#)**History Corporate Inquiry****File Number:** L-1456202-0**Corp. Name:** LA PAZ SOURCE, LLC**Domestic Address**

4750 N BLACK CANYON HWY

STE 302

PHOENIX, AZ 85017

Statutory Agent Information**Agent Name:** BELEN GOMEZ**Agent Address:**

2012 E BORADWAY BLVD

STE 101

TUCSON, AZ 85719

Agent Status: APPOINTED 07/25/2011**Agent Last Updated:** 08/16/2011**Additional Corporate Information**

Business Type:	Corporation Type: DOMESTIC L.L.C.
Incorporation Date: 06/10/2008	Corporate Life Period: PERPETUAL
Domicile: ARIZONA	County: MARICOPA
Approval Date: 06/18/2008	Original Publish Date: 08/21/2008
Dissolution/Withdrawal: ARTICLES OF TERMINATION	Dissolution/Withdrawal Date: 11/03/2011

Member Information

FRANCISCO RAMOS MANAGER 2012 E BROADWAY BLVD STE 101 TUCSON, AZ 85719 Date of Taking Office: 06/10/2008 Last Updated: 08/16/2011	MARIA J BELTRAN MEMBER 10528 W CHICKSON TOLLESON, AZ 85353 Date of Taking Office: 06/10/2008 Last Updated: 08/16/2011
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Document Number	Description	Date Received
02460179	ARTICLES OF ORGANIZATION	06/13/2008
02531704	PUB OF ARTICLES OF ORGANIZATION	08/21/2008
02900664	CHANGE(S)	09/21/2009
03516937	AGENT RESIGNATION	05/13/2011
03510922	AGENT RESIGNATION	05/16/2011
03525851	CHANGE(S)	07/25/2011

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Location	Entered	Description
3-2135-000-147	06/13/2008	ARTICLES OF ORGANIZATION
3-2154-002-303	08/21/2008	PUB OF ARTICLES OF ORGANIZATION
1-1925-007-014	11/03/2011	ARTICLES OF TERMINATION

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04/16/2012

Arizona Corporation Commission
State of Arizona Public Access System

3:00 PM

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Corporate Inquiry	
File Number: L-1718360-8	Check Corporate Status
Corp. Name: LA PLACITA MULTI SERVICES, LLC	

Domestic Address

4072 E 22ND ST
TUCSON, AZ 85711

Statutory Agent Information

Agent Name: ARTURO GOMEZ LEON
Agent Mailing/Physical Address:
2535 S AZTEC POINT TRAIL
TUCSON, AZ 85748
Agent Status: APPOINTED 11/03/2011
Agent Last Updated: 03/14/2012

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:
Incorporation Date: 11/03/2011	Corporate Life Period: PERPETUAL
Domicile: ARIZONA	County: PIMA
Approval Date: 11/29/2011	Original Publish Date: 01/30/2012

Manager/Member Information

MARIA BELTRAN MANAGER 2535 S AZTEC POINT TRAIL TUCSON, AZ 85748 Date of Taking Office: 11/03/2011 Last Updated: 11/29/2011	ARTURO GOMEZ LEON MANAGER 2535 S AZTEC POINT TRAIL TUCSON, AZ 85748 Date of Taking Office: 11/03/2011 Last Updated: 11/29/2011
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Scanned Documents

(Click on gray button to view document - will open in a new window)

Document Number	Description	Date Received
03663399	ARTICLES OF ORGANIZATION	11/03/2011
03815424	PUB OF ARTICLES OF ORGANIZATION	01/30/2012

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-

EXHIBIT B

EXHIBIT B

LA PAZ SOURCE, LLC.

Agosto 1, 2011

Excellence 4 [REDACTED]

100001 02 85713

RE:

LA PAZ SOURCE, LLC CAMBIO DE SERVICIO A M.A.H.A.

La Paz Source le quiere agradecer el interes que a tenido en nuestros servicios. Nos da gusto que usted esta listo para empezar este nuevo capitulo con nuestra compañía. Le hemos explicado los nuevos cambios, y contestado todas sus preguntas. Si usted tiene otras preguntas, favor de llamar a nuestra oficina a este numero (520) 409-2724. Tambien puede hablar al corporativo de M.A.H.A al (602) 774-2500.

Al firmar las porciones indicadas, afirma que LA PAZ SOURCE, LLC ya no proporcionara sus servicios a usted en el proceso de modificacion. En cambio, nuestra compañía proporcionara el programa de M.A.H.A.. Al firmar, usted esta de acuerdo que el contrato con LA PAZ SOURCE, LLC ya no sera valido y no sera aplicable en el proceso de su modificacion. El nuevo contrato atravez de M.A.H.A. sera el contrato valido en su caso. Al firmar este contrato no tendra derecho a hacer demandas legales, civiles, o monetarias. Una vez firmado el contrato con M.A.H.A. todas sus dudas, quejas, o preguntas deberan ser dirigidas al corporativo de M.A.H.A.

[REDACTED]
Nombre Escrito

8/12/11
Fecha

[REDACTED]
(Co-Borrower) Nombre Escrito

8/12/11
Fecha

Firma

Fecha

(Co-Borrower) Firma

Fecha

EXHIBIT C

EXHIBIT C

Thursday, February 23, 2012

OFFICE OF THE ATTORNEY GENERAL
ATTENTION: BARBARA V [REDACTED]
400 W CONGRESS STREET SUITE 315
TUCSON, AZ 85701

RE: CIC 12-01464 FERNANDO S [REDACTED]

RECEIVED

FEB 23 2012

ATTORNEY GENERAL OF ARIZ.
TUCSON OFFICE

Dear Madam:

In response to the above reference complaint dated February 13th 2012. On April 10th, 2010 Mr. and Mrs. S [REDACTED] stepped into our office and after a presentation, they decided to signed a contract with La Paz Source, LLC.

Mr. S [REDACTED] states on his complaint that in a year La Paz Source, LLC did not work on their loan, and to be honest, no one lives for free for more than a year if nothing is been done, I understand that it is a frustrated and long process but the outcomes and time frames are determined by each lender and they were aware that their lender is the only one who decides whether to grant a modification or not, NOT La Paz Source. Our job was to place time and effort into negotiating with their lender in hopes of obtaining a loan modification deal.

On August 12th, 2011 they were introduce to a DIY Loan Modification software by MAHA (Making All Homes Affordable) and they decided to purchase the software and by doing so, the agreement with La Paz Source was completely null (see attached change of service letter). La Paz Source, LLC never stop helping them, we gave them support until they decided to go on their own. Also, Mr. S [REDACTED] states that La Paz Source, LLC called their house to promote our services, and that is a LIE, we only advertised by radio and magazine ads.

With everything been said, I want to make it very clear to Mr. S [REDACTED] that he is prolonging a matter in which he will not obtain any repayment of monies, compensation, or refund. And I wish to make him aware of the reason for which a reimbursement would be quite impossible. PLEASE REFFER TO THE CONTRACT SIGNED BY MR. AND MRS. S [REDACTED] (Arizona State Law allows 3 days to cancel any/all signed contracts, failure to do so negate any refund). See attached page 4 of contract.

We are NOT paid for the final results of a negotiation process; we are NOT paid to meet a client's expectations. We are paid for our time and effort.

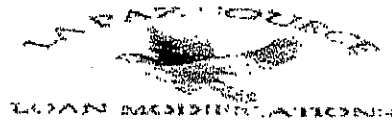
Thank you,


Francisco Ramos


Date

EXHIBIT D

EXHIBIT D



Name: vicente [REDACTED] & maria [REDACTED]
Address: [REDACTED] TUCSON, AZ 85714
Lender: [REDACTED]
Loan # [REDACTED]

Dear Customer of La Paz Source:

La Paz Source, LLC wants to thank you for your confidence in us. We assure you that our only goal is to get the help you need and deserve thru a loan modification with your lender. I, as your negotiator, will make any effort to obtain the right modification for you. Once again we thank you for putting your confidence in our hands.

Thank You.

Estimado Cliente De La Paz Source:

La Paz Source, LLC le agradece por poner su confianza en nosotros. Le aseguramos que nuestro único objetivo es conseguir la ayuda que usted necesita y merece a través de una modificación del préstamo con su banco. Yo, como su negociador, pondré todo mi esfuerzo para obtener una modificación justa para usted. De nuevo le agradecemos por poner su confianza en nuestras manos.

Gracias.

Your La Paz Source, LLC Negotiator/
Su Negociadora De La Paz Source, LLC: _____

Signature: [REDACTED]
Firma: [REDACTED]

Date/
Fecha: 2-15-11

Pg. 1 of 8

Authorization To Release Information
Loss Mitigation & Foreclosure Prevention

Borrower:

Vicente [REDACTED] & Maria [REDACTED]

Lender(s)

Loan#

Property Address:

TUCSON A285714

I/ We, the undersigned, being the owner(s) of the above referenced real property hereby authorize any and all lien holders or investors related to such property and their designated representative(s), assign(s) and agent(s) to discuss specific account information regarding the above - referenced loan(s), promissory Note(s), Deed(s) of Trust and related documentation that may be protected through the Right to financial Privacy Act of 1978, the Fair Credit Reporting Act, or any other State, Federal or other applicable statute, with La Paz Source LLC (4750 N. Black Canyon Hwy Ste. 302, Phoenix, Arizona 85017) and their employees including, but not limited to:

Loan Modification Team:

Francisco Ramos, Alejandra Munoz, Maria Beltran,
Eunice Olivas, Guadalupe Perez, Martha Vidal, Dylan Kirchhoff,
Jessica Zepeda, Armando Rodriguez, Brissa Golden, Karime Brambila, Rafael Gomez,
Somara Magoulas, Christina Galaviz, Elen Gomez, Vianey Felix, Sandra Uriata,
Jose Fernandez

Last 4 digits of Tax ID: 3569

-The mortgage Forgiveness Debt Relief Act of 2007 is a Nation Wide initiative help homeowners to:

- Avoid Public Foreclosure
- Relieve of the Entire Mortgage Debt if Any
- Rescue Their Credit

- A Copy of this Authorization may be accepted as an original.

This Authorization is valid until revoked by the undersigned or when modification of the above referenced loan(s) is (are) satisfactorily completed. La Paz Source LLC will not be held responsible in any manner for following the authorization and/or instructions given herein.

Borrower Signature

SS#

Date

Co-Borrower Signature

SS#

Date

Authorization is valid for 6 months/Expiration Date:

Aug. 11, 2011

Pg. 2 of 8

THIS CONSULTING SERVICES AGREEMENT ("Agreement") is made and entered into as of this 11th day of February, 2011, by and between Vicente and Maria hereinafter referred to as "Client" or "Buyer", and La Paz Source, LLC, an Arizona limited liability company ("Consultant"). Client and Consultant hereby agree as follows:

1. CONSULTING SERVICES

- a) Consultant agrees to provide, on behalf of Client, the services selected on Schedule A attached hereto and made a part hereof (the "Consulting Services"). Consultant shall use its best efforts in providing the Consulting Services.
- b) Client may, from time to time, select additional Consulting Services and Client acknowledges and agrees that additional fees will be charged for such additional services beyond those initially selected herein.
- c) Client agrees to have Consultant represent Client as an advisor and negotiate and act on Client's behalf for the purpose of negotiating terms with Client's lender, the lender's "loss mitigation" or similar department.
- d) In performing the Consulting Services, Consultant may negotiate with Client's lender, or other third-parties as necessary to accomplish the Consulting Services. Client understands and agrees that Consultant will be the primary contact between the Client and Client's lender, bank, holder or other third-parties holding an interest in Client's mortgage, and any contact by Client with Client's lender, bank, holder, or any other third-parties without the prior written consent of Consultant, shall constitute an automatic breach of this Agreement.
- e) The period of time required by Consultant to perform the Consulting Services may vary, however, based upon our experience, we offer the following timelines:

[Service 1: 1 to 8 months]
[Service 2: to months]
[Service 3: to months]

- f) Consultant reserves the right to determine the method, manner, or means by which the Consulting Services are to be performed.
- g) Client acknowledges that Client's lender or mortgage company typically possesses the right and in some cases may elect to call Client's entire Note or mortgage immediately due and payable and Client expressly agrees to indemnify Consultant for, and shall hold Consultant harmless from, any and all liabilities asserted against or incurred or sustained by Client arising out of, related to or associated with such action by Client's lender or mortgage company.
- h) Client agrees and understands that because the outcome of the Consulting Services are almost entirely dependent upon Client's lender and similar third parties, Consultant cannot make, has not made, and will not in the future make, any warranties or representations as to the outcome of any efforts related to the Consulting Services. By signing below, Client agrees to pay for Consultant's advice, efforts and costs and not for any particular result.
- i) Client acknowledges and agrees that Consultant is not an attorney and that neither this Agreement, nor the performance of the Consulting Services shall constitute any type of legal advice offered to Client. Should Client need legal advice, Client is strongly advised to retain the services of a qualified attorney.

2. CONSULTING FEE

0522-0001/CONTRACT

Pg. 3 of 8

- a) In consideration of Consultant's performance of the Consulting Services, Client agrees to pay Consultant a consulting fee of \$ 2,400 (the "Consulting Fee"), payable as follows: \$ 1,200 due upon execution of this Agreement, and \$ 1,200 due upon: February 11, 2011.
- b) If, at any time during the term of this Agreement, Consultant obtains approval from Client's lender for: (i) a loan modification, or (ii) an extension of Client's trustee's sale auction date, the entire Consulting Fee shall be deemed fully earned and payable by Client.
- c) Client understands and acknowledges that the services provided by La Paz Source, LLC, are on a best effort and are basis and are not guaranteed; no particular result is promised, and no prediction of any final results has been made.

3. MISCELLANEOUS

- a) Notice. All notices required or permitted to be given pursuant to this Agreement shall be given in writing in the English language, shall be transmitted by personal delivery, by registered or certified mail, return receipt requested, postage prepaid, or by facsimile or other electronic means and shall be addressed as follows:

Notices to Client should be sent to:

Vicente [REDACTED] Maria [REDACTED]
[REDACTED]
Tucson AZ 85714

Notices to Consultant should be sent to its principal business address:

La Paz Source, LLC
4750 North Black Canyon Hwy.
Suite 302
Phoenix, Arizona 85017

Consultant's agent authorized to receive service of process:

Ben Bhandhusavce
The Bhandhusavce Firm, PLC
11811 North Tatum Blvd.
Suite 1051
Phoenix, Arizona 85028

- b) Attorney's Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.
- c) Severability. If any provision of this Agreement shall be held, declared or pronounced void, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

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- d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of Client and Consultant and their respective heirs, executors, representatives, successors and assigns.
- e) Entire Agreement. This Agreement contains the entire agreement of Client and Consultant relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.
- f) No Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.
- g) Governing Law. This instrument shall be governed by and construed under the laws of the State of Arizona.
- h) Information Statement. By signing this Agreement and initialing below, Client acknowledges that Client has received a copy of the Information Statement from Consultant prior to signing this Agreement or payment of any fees or other compensation to Consultant.

Client(s) Initials: V M

YOU, THE CLIENT, MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD DAY AFTER THE DATE OF THE TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

Vicente
Client Name (print)

Vicente
Client Signature

Maria
Client Name (print)

Maria
Client Signature

02-11-11
Date

02-11-11
Date

Jessica Repeda
Consultant Representative Name

[Signature]
Consultant Representative Signature

2-11-11
Date

----- DETACH HERE

NOTICE OF CANCELLATION PER A.R.S. §44-170

YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION WITHIN THREE (3) DAYS FROM THE DATE THE CONTRACT IS SIGNED. IF YOU CANCEL, ANY PAYMENT MADE BY YOU UNDER THIS CONTRACT WILL BE RETURNED WITHIN FIFTEEN (15) DAYS AFTER RECEIPT BY THE CREDIT SERVICES ORGANIZATION OF YOUR CANCELLATION NOTICE. TO CANCEL THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE, OR ANY OTHER WRITTEN NOTICE, TO: LA PAZ SOURCE, LLC, 4750 NORTH BLACK CANYON HWY., SUITE 302, PHOENIX, ARIZONA 85017 NOT LATER THAN MIDNIGHT ON (DATE):

1 / 20
I HEREBY CANCEL THIS TRANSACTION

CLIENT'S SIGNATURE: _____
DATE: _____

0522-0001/CONTRACT

Pg. 5 of 8

***** ATTENTION *****

- Failure to comply with any or all of the above or change of mind, La Paz Source, LLC, will not be held responsible of your case and will cancel any contract immediately and there will be no refunds. Client acknowledges that a substantial amount of work is performed by Consultant immediately upon execution of this Agreement and, therefore, no refund of Consulting Fees will be given.
- Arizona State Law allows you 3 days to cancel any/all signed contract. Failure to do so negates any refund entitled to you.
- Client may, from time to time request additional Consulting Services and Client acknowledges that additional fees will be charged for any Consulting Services requested in addition to those agreed upon herein.

WE UNDERSTAND THAT ANY OF THE FOLLOWING OPTIONS GIVEN BY YOUR LENDER IS CONSIDER AS A LOAN MODIFICATION AND LA PAZ SOURCE, LLC WILL CONSIDER OUR WORK DONE.

1. Interest Rate Reduction
2. Payment Plan, Repayment Plan, or Forbearance Plan
3. Sales Date Postponed
4. Principal Amount Reduction
5. Trial Period

After reaching the modification or any of the mention above, it is the clients responsibility to make payments on time as requested on trial period. La Paz Source, LLC will not be responsible if client fails to make the required payments on time for the trial period. By not making your payments on time or missing any payments, you, the client are aware that if you miss payments you are putting your property at risk

CLIENT'S SIGNATURE: Vicente [REDACTED]
DATE: 02-11-11

CLIENT'S SIGNATURE: Maria [REDACTED]
DATE: 02-11-11

Pg. 6 of 8

Schedule A - Consulting Services

A "Yes" or "No" box must be initialed by Client homeowner for each Service requested below:

- | Yes | No | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Consulting Client homeowner throughout the Foreclosure Process (Pre-Auction Date) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Submittal of Loan Modification Package |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Submittal of the Lender's Hardship Package to the Loss Mitigation Manager |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Arrange and Negotiate the Forbearance Package to Lender |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Mortgage Violation Watchdog Audit and Analysis - Submit QWR (Qualified Written Request) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Refer Client to a Qualified Real Estate Broker to List your Home on MLS to Seek offers |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Create a Marketing Package for your Property to attract Potential Offers |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Negotiate a Deed in Lieu of Foreclosure |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Apply for Extensions of Client homeowner's Auction Date |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Negotiate the Short Sale Process on Client homeowner's Behalf |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Provide Income Opportunities to help with your Reinstatement Fees (Local Homeowners only) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Temporarily Postponing Client homeowner's Foreclosure or Trustee's Sale Auction Date |

Vicente

[REDACTED]

02-11-11

Maria

[REDACTED]

02-11-11

Pg. 7 of 8

La Paz Source LLC.
4750 N. Black Canyon Hwy. Ste 302
Phoenix, AZ 85017
Ph. 602-687-9832 Fax. 602-914-7329

DECLARACIÓN DE INFORMACIÓN

1. La Paz Source, LLC ("La Paz") provea los siguientes servicios al prestatario ("Cliente"):
- Contatar el banco del Cliente para obtener una modificación en su hipoteca.
 - Someter toda documentación necesaria para iniciar el proceso de modificación.
 - Someter petición para detener la fecha de foreclosure.
 - Mantener contacto con el banco hasta que se realice una modificación.
 - Mantener al Cliente informado del proceso de su modificación.

El cobro de estos servicios es 2 veces (2x) su pago mensual hipotecario actual.
Los cobros mínimos son de \$2400.00 por préstamo si el pago es menor a esta cantidad
Su pago mensual hipotecario actual es \$ 1,178.33
El cobro total por nuestros servicios es \$ 2,400

Esta cantidad se pagara conforme al programa siguiente e iniciaran al firmar el contrato.

2-11-11	Primer mes	<u>1,200</u>	Tercer mes	_____
3-11-11	Segundo mes	<u>1,200</u>	Cuarto mes	_____

2. La Paz Source, LLC esta fianzado por Viking Bond Service, Inc
11361 N. 99th Ave. #107
Peoria, AZ 85345
3. El Cliente tiene el derecho de proceder contra el bono de fianza bajo las circunstancias y conforme esta establecido en A.R.S. §44-1708.
4. El Cliente tiene el derecho, a su petición, de revisar su archivo bajo el mantenimiento de La Paz y el derecho de recibir una copia de ese archivo, como se indica por A.R.S. §44-1694.
5. El Cliente tiene el derecho de cuestionar lo completado o exactitud de cualquier artículo en su archivo que es mantenido por cualquier agencia de credito como se indica por A.R.S. §44-1694.

Con mi firma abajo, Yo el Cliente, afirmo que esta declaracion de informacion se me ha proporcionado, que se me ha dado la oportunidad y el tiempo suficiente para revisarlo, y que he leído y comprendido los contenidos en esta declaracion de informacion.

Fecha de hoy: 02-11-11

Nombre del Cliente: Vicente

Firma del Cliente: Vicente

02-11-11

Maria

Maria

REMEMBER

- Modification process can take a minimum of three months and extend up to eight months or more depending on the volume of work that the bank has and / or many other factors, which requires a lot of patience on your part.
- Calls from collections and the Foreclosure process do not stop until modification is approved. This process will be cancelled once the modification is approved by lender. If you have a Foreclosure date, time extensions will be obtained to allow arrangements with bank until the modification is reached. The fact that you receive calls and letters from your bank, does NOT mean that we are not working on you modification.
- Once we received your file, it is assign to a negotiator. This person will be in contact with you weekly to give you status of the process and if any documents are needed for the modification. If you receive any letters from your bank, you will need to fax them to your negotiator right away.
- If you need to speak to your negotiator this will be possible only by personal or phone appointment. Please let us know by calling 602-687-9832.

Keep this information handy and remember that we are working for your benefit. Thank you very much for your confidence and once again, welcome to La Paz Source, LLC.

RECUERDE

- El proceso de modificación puede durar un mínimo de tres meses y extenderse hasta ocho meses o más dependiendo del volumen de trabajo que tenga su banco y/o de muchos otros factores, por lo cual se requiere de mucha paciencia de su parte.
- Las llamadas de colecciones y el proceso de Foreclosure no se detienen al estar haciendo una modificación. El proceso será cancelado hasta que la modificación sea aprobada por su banco. Si usted ya tiene fecha de Foreclosure, se obtienen extensiones de tiempo hasta que la modificación sea aprobada o a que se llegue a un arreglo con su banco. El hecho de que este recibiendo llamadas y cartas de su banco, NO quiere decir que no se esté trabajando en su modificación.
- Al recibir su archivo, este es asignado a un negociador (a). Esta persona estará en contacto con usted una vez por semana para darle información del proceso de su modificación o si algún documento es necesario para el proceso. Si usted recibe alguna carta de su banco por favor de mandarla a su negociador (a) lo antes posible.
- Si necesita hablar personalmente con su negociador (a), esto será posible solamente a través de una cita por teléfono o personalmente. Por favor de hacernos saber al número 602-687-9832.

Por favor mantenga esta información a la mano y recuerde que nosotros estamos trabajando en su beneficio. Gracias por su confianza y una vez más, bienvenido a La Paz Source, LLC.

Client/Cliente Vicente [Redacted] Firma Vicente [Redacted] Fecha 02/11/11

Client/Cliente Maria [Redacted] Firma Maria [Redacted] Fecha 02-11-11

EXHIBIT E

EXHIBIT E

Pg. 7 of 8

La Paz Source LLC,
4750 N. Black Canyon Hwy. Ste 302
Phoenix, AZ 85017
Ph. 602-687-9832 Fax. 602-914-7329

DECLARACIÓN DE INFORMACIÓN

1. La Paz Source, LLC ("La Paz") proveera los siguientes servicios al prestatario ("Cliente"):
- Contactar el banco del Cliente para obtener una modificación en su hipoteca.
 - Someter toda documentación necesaria para iniciar el proceso de modificación.
 - Someter petición para detener la fecha de foreclosure.
 - Mantener contacto con el banco hasta que se realice una modificación.
 - Mantener al Cliente informado del proceso de su modificación.

El cobro de estos servicios es 2 veces (2x) su pago mensual hipotecario actual.

Los cobros mínimos son de \$2400.00 por préstamo si el pago es menor a esta cantidad

Su pago mensual hipotecario actual es \$ 1,178.33

El cobro total por nuestros servicios es \$ 2,400

Esta cantidad se pagara conforme al programa siguiente e iniciaran al firmar el contrato.

2-11-11	Primer mes	<u>1,200</u>	Tercer mes	_____
3-11-11	Segundo mes	<u>1,200</u>	Cuarto mes	_____

2. La Paz Source, LLC esta fianzado por Viking Bond Service, Inc
11361 N. 99th Ave. #107
Peoria, AZ 85345
3. El Cliente tiene el derecho de proceder contra el bono de fianza bajo las circunstancias y conforme esta establecido en A.R.S. §44-1708.
4. El Cliente tiene el derecho, a su petición, de revisar su archivo bajo el mantenimiento de La Paz y el derecho de recibir una copia de ese archivo, como se indica por A.R.S. §44-1694.
5. El Cliente tiene el derecho de cuestionar lo completado o exactitud de cualquier artículo en su archivo que es mantenido por cualquier agencia de crédito como se indica por A.R.S. §44-1694.

Con mi firma abajo, Yo el Cliente, afirmo que esta declaración de información se me ha proporcionado, que se me ha dado la oportunidad y el tiempo suficiente para revisarlo, y que he leído y comprendido los contenidos en esta declaración de información.

Fecha de hoy: 02-11-11

Nombre del Cliente: Vicente

Firma del Cliente: Vicente

02-11-11
Maria
Maria

EXHIBIT F

EXHIBIT F

LA PAZ SOURCE, LLC.

May 31, 2011

Karen C [REDACTED]
Office of Attorney General
Legal Assistant
Consumer Protection Advocacy

RE:

CIC 11-10163 CLAUDIA [REDACTED]

Tucson, Arizona 85746

I, Maria Beltran, am the head of La Paz Source LLC. I have received and read Mrs. [REDACTED] complaint dated May 2, 2011. I am writing today to respond to Mrs. [REDACTED] complaint. On April 17, 2010 Mr. and Mrs. [REDACTED] came into our Tucson office for a free consultation to learn about the services we provide. At the end of the consultation they signed a contract for the [REDACTED] property located at [REDACTED] Tucson, AZ 85746.

La Paz Source, LLC soon began to negotiate with the lender. We also were in contact with the investor and their assigned representative. We were honest with Mr. and Mrs. [REDACTED] and made them aware of every situation. We worked very hard in submitting documents, keeping in contact with the lender, and our clients. I am completely FOR justice, and I strongly believe in the United State's Legal System. Yet, why is Mrs. [REDACTED] going against us? There was no unjust act done by La Paz Source, LLC towards her or her husband. We did not steal their money, we did not steal their house, nor did we shy away when he filed a complaint against us. No, we sincerely tried to help them. We are not responsible for any of their unfortunate events. If we were an unethical company we would ignore this matter. Yet we are neither liars, nor thieves, and we have no reason to hide from anything.

It is true, Mr. and Mrs. [REDACTED] have been with La Paz Source for a year, but that is not necessarily wrong. All loan modifications are different, all lenders are different, and every case is different. We never make any guarantees because we know that there is no way to foretell the future.

Mr. and Mrs. [REDACTED] have an FHA loan. In that type of loan, the borrower needs to be no more than 12 months behind on their mortgage payments in order to be under review for a loan modification. They are now over 15 months past due in their payments. On April 20, 2011 we informed Mrs. [REDACTED] that she had to make some payments, in order to be less than 12 months past due. Mrs. [REDACTED] was very upset and said that she couldn't make any payments. And now in her complaint, she is blaming us of ill-advising her into not making her mortgage payments. We never did tell Mrs. Cazares to stop making mortgage payments.

In fact, on November 30, 2010 a La Paz Source Manager named Eunice Olivas spoke with Mr. [REDACTED]. In their conversation Eunice told him that the property was not in foreclosure process but that

In fact, on November 30, 2010 a La Paz Source Manager named Eunice Olivas spoke with Mr. [REDACTED]. In their conversation Eunice told him that the property was not in foreclosure process but that they should start making payments so that the lender could see their attempt to not fall behind. She also told him that if they chose not to make payments, to save that money in case the bank asked for money in the future. By March, the amount past due was \$12,505.21. In April when the bank did ask for money, Mr. and Mrs. [REDACTED] failed to make any payments in order to be less than 12 months behind. If they have been with us for a year, and have not made any mortgage payments in a year, why did they not save money? Where did that money go?

With everything being said, I want to make it very clear to Mr. and Mrs. [REDACTED] that they will not obtain any repayment of monies, compensation, or refund. And I wish to make them aware of the reason for which a reimbursement would be quite impossible. PLEASE REFER TO THE CONTRACT SIGNED BY MR. & MRS. [REDACTED]. Any reasonable person would spend time examining a CONTRACT which they are planning to sign. We are not paid for the final results of a negotiation process; we are not paid to meet a client's expectations. We are paid for our time, and effort. See page 2 Section 1(h). Also, we do not refund any money if the signed contract is not canceled within the 3 days after signing it. See page 5 Bullet 2.

I encourage them to save herself the time and trouble of persisting with this matter, for La Paz Source, LLC will not budge. If we were to be wrong then we would accept and come to terms with a client. But this is not a case in which we are in the wrong, on the contrary, we did not do anything wrong. In life there are just some people that cannot be pleased. Lucky for us, it is not our job to meet everyone's expectations or please everyone. It is our job to place time and effort into negotiating with the lender in hopes of obtaining a good Loan Modification deal for our clients.

We don't expect for this response to satisfy Mrs. [REDACTED]'s wants, but I would like to point out that this response has been honest and very matter of fact. If she continues on with this, she will continue to get the same answer from me, "They will not obtain any repayment of monies, compensation, or refund." There is nothing more to be said.

Thank you Ms. C [REDACTED].

Maria J. Beltran
Maria Beltran, La Paz Source, LLC.

5/31/11
Date

LA PAZ SOURCE, LLC.

September 12, 2011

Jeanette J [REDACTED]
Office of Attorney General
Legal Assistant
Consumer Protection Advocacy

RECEIVED

SEP 13 2011

ARIZONA
ATTORNEY GENERAL
CONSUMER PROTECTION SECTION
TUCSON OFFICE

RE:

CIC 10-23107 MIGUEL [REDACTED]

Tucson, Arizona 85713

I, Maria Beltran, am the head of La Paz Source and I am writing today to respond to the complaint dated August 17, 2011. On July 16, 2010 Mr. [REDACTED] stepped into our office for a free consultation to learn about the services we provide. He spoke with a sales person who introduced our business to him on that day. At the end of the consultation he signed a contract for his [REDACTED] property. When he came to us he was 4 months behind, already owing his lender \$4, 124.09. By October 20, 2010 a modification was obtained for Mr. [REDACTED].

When he first arrived with us, his mortgage payment was \$1057.77 with a fixed interest rate of 5.75% in a Conventional Loan. After we assisted him with his loan modification his mortgage payment lowered to \$863.75 plus an escrow of \$153.97 with the reduced interest rate of 2% in a Step Loan.

Mr. [REDACTED] must be in great amount of grief from losing his home. A home is more than a place one lives, it is an ambience of family and comfortability. I am sorry for his loss, and I can see that a hard time as this can lead to resentment, even towards those who are not deserving. I would like to remind Mr. [REDACTED] that he is NOT AWARE of the process of a Loan Modification and that the only insight he has is that of trying to obtain one. As he points his accusing finger at us, Mr. [REDACTED] should remember that La Paz Source could have refused to service him. We accepted the challenge and did what was in our power to keep his property from entering into foreclosure and obtaining a Modification on his property. He will never know the feeling of completing everything that is asked of you, waiting on the bank to sway in your favor, and praying to God that this family does not lose their home.

Mr. [REDACTED] states that the he was assured that his mortgage payment would be reduced to \$600.00 a month. First of all, our company knows better than to make any guarantees. Second, the contract he signed states that there are no guarantees. He never signed any documents with us where it states that his mortgage payment would go down to \$600.00. La Paz Source is not responsible for the sale of your [REDACTED] property and I hope this letter has made that more than clear. You may think that you wasted your time with us, but let me tell you that it was us who put months of effort into your property, pressured the lenders to respond to us, and maintained plenty communication with you.

With everything being said, I want to make it very clear to Mr. [REDACTED] that he is prolonging a matter in which he will not obtain any repayment of monies, compensation, or refund. And I wish to make him aware of the reason for which a reimbursement would be quite impossible. PLEASE REFFER TO THE CONTRACT SIGNED BY MR. [REDACTED]. Any reasonable person would investigate and spend time examining a company with whom they are considering signing a CONTRACT with. Let me assure you that La Paz Source does not make guarantees. We are NOT paid for the final results of a negotiation process; we are NOT paid to meet a client's expectations. We are paid for our time, and effort. See page 2 Section 1(h). Also, we do not refund any money if the signed contract is not canceled within the 3 days after signing it. See page 5 Bullet 2.

I encourage him to save himself the time and trouble of persisting with this matter, for La Paz Source, LLC will not budge. If we were to be wrong then we would accept and come to terms with a client. But this is not a case in which we are in the wrong, on the contrary, we did not do anything wrong. In life there are just some people that cannot be pleased. Lucky for us, it is not our job to meet everyone's expectations or please everyone. It is our job to place time and effort into negotiating with the lender in hopes of obtaining a good Loan Modification deal for our clients.

We don't expect for this response to satisfy Mr. [REDACTED]'s wants, but I would like to point out that this response has been honest and very matter of fact. We are responding because regardless of Mr. [REDACTED]'s thoughts, we are NOT a fraud. If he continues on with this, he will continue to get the same answer from me, "He will not obtain any repayment of monies, compensation, or refund." There is nothing more to be said.

Thank you Ms. J [REDACTED]

Maria J. Beltran
Maria Beltran, La Paz Source, LLC.

9/12/11
Date

EXHIBIT G

EXHIBIT G

Southern Arizona Legal Aid, Inc.

Justice. Opportunity. Hope.

June 20, 2011

11-13457

Alondra Munoz
La Paz Source, LLC
4750 North Black Canyon Hwy.
Suite 302
Phoenix, AZ 85017

RE: Demand for Loan Modification Payment Returned

Dear Ms. Munoz:

My office represents Mr. and Mrs. Jorge [REDACTED] who sought your company's assistance with their loan modification. This letter is a demand that you return their payments to your company in the amount of \$2,360.

On June 14, 2010, my client signed a contract with La Paz Source, LLC in its Tucson office for loan modification services. On 8/21, 9/17, 10/4 and 11/10, your company received compensation from my client even though it had not fully performed the services my client purchased. This practice is illegal in Arizona, and violators are liable for actual and punitive damages, as well as attorney fees and costs.

Your company requested income information for my client's daughter and nephew even when you knew that neither of them lived with my client nor contributed to their expenses.

Your company also incorrectly told my client that they needed to be behind on their mortgage in order to obtain a loan modification. In reliance on your information, my client purposefully stopped paying their mortgage. You never told my client that not paying their mortgage could put their home at risk for foreclosure.

Additionally, you incorrectly told my client that their house was sold and they could not obtain a loan modification because they previously attempted to get a loan modification. We believe the above practices constitute consumer fraud.

Your company was not obligated to provide a specific result, but it did need to use its "best efforts" in providing loan modification services. For this reason, we also believe your company breached the covenant of good faith and fair dealing - which Arizona law has held to be implicit in every contract.

Pima County Office



Continental Building + 2343 E. Broadway Blvd., #200 + Tucson, AZ 85719-6007
520-623-9465 + Fax: 520-884-5821 + Toll Free: 800-640-9465
www.sazlegalaid.org + www.AzLawHelp.org



To: Alondra Munoz; La Paz Source, LLC
Re: Demand for Loan Modification Payment Returned

June 20, 2011
Page 2 Of 2

Please refund my client's payment of \$2,360 on or before July 1, 2011. Payment should be made to Southern Arizona Legal Aid, Inc.'s trust account. If we do not receive payment by that time, we will be forced to take other action against you, which may include a request for additional damages and attorney's fees.

PLEASE GOVERN YOURSELF ACCORDINGLY.

Sincerely,

15/

Beverly Parker
Attorney at Law

Cc: Client

EXHIBIT H

EXHIBIT H



TOM HORNE
ATTORNEY GENERAL

OFFICE OF THE ARIZONA ATTORNEY GENERAL
PUBLIC ADVOCACY DIVISION
CONSUMER PROTECTION & ADVOCACY SECTION

JEREMY T. SHORBE
ASSISTANT ATTORNEY GENERAL
TELEPHONE: (520) 628-
FACSIMILE: 520-628-
CONSUMERINFO@TUCSON.AZAG.GOV

December 12, 2011

VIA CERTIFIED MAIL

La Paz Source L.L.C.
Attn: Francisco Ramos
P.O Box 42181
Tucson, Arizona 85733

Dear Mr. Ramos and/or Ms. Beltran,

The Consumer Protection and Advocacy Section of this Office recently received a complaint involving La Paz Source L.L.C that suggests that your company may be in violation of the Federal Trade Commission's Mortgage Assistance Relief Services ("MARS") Rule that applies to nearly all persons providing loan modification or principal reduction services to homeowners. In addition, it appears that you may also be in violation of Arizona laws regarding foreclosure consultants.

Effective January 31, 2011, the MARS Rule prohibits nearly all persons providing loan modification services from requesting or receiving payment for their services (including processing services) until their customers have received and accepted loan modification offers from the customers' loan holder or servicer. You can find the text of the MARS Rule online at <http://www.ftc.gov/os/fedreg/2010/december/R911003mars.pdf>.

Moreover, as you should already be aware, on July 29, 2010, providers of "foreclosure consultant" services in Arizona became subject to a new law that prohibits them from charging or collecting any fees prior to performing promised services. A.R.S. § 44-1378 *et seq.* The text of the foreclosure consultant law can be viewed at: <http://www.azleg.gov/ArizonaRevisedStatutes.asp>.

The Arizona Attorney General's Office has the authority to enforce both the Arizona "foreclosure consultant" ban on upfront fees, as well as the federal prohibition under the MARS Rule, either as a direct violation of that rule or, separately, as a violation of the Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.* Be advised that this Office intends to use every available legal tool to enforce these laws and to take appropriate action for any acts or practices that violate these laws or the Arizona Consumer Fraud Act. The Act provides substantial civil sanctions, including civil penalties of up to \$10,000 per violation, restitution, injunctive relief and attorney's fees and costs.

December 12, 2011
Page 2

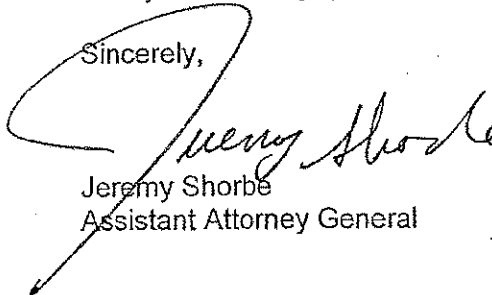
I am including with this letter a complaint from the following consumer:

	Name of Consumer	Complaint No.
1.	Hugo V [REDACTED]	11-22331

It appears that this consumer is entitled to recover the monies that La Paz Source L.L.C collected prior to obtaining a loan modification on behalf of that customer. Please either (1) reimburse this consumer and provide me with proof of said payment, or (2) provide a written explanation as to why La Paz Source L.L.C is not responsible for making said payment.

I would appreciate receiving a response from you within the time allotted to respond to the enclosed complaint. Please contact me should you have any questions.

Sincerely,



Jeremy Shorbe
Assistant Attorney General

JTS/dm

Phx-# 2536902

7008 2810 0001 6546 3522

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To	
Street, Apt. No., or PO-Box No.	
City, State, ZIP+4	
PS Form 3800, August 2005	
See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CAPA2 SOURCE LLC
att: Dranaco Ramos
PO BOX 42181
Tucson AZ 85739

11-22331 JS48V

2. Article Number
(Transfer from service label)

7008 2810 0001 6546 3522

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERYA. Signature 12/13/2011
☒ X ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Domestic Return Receipt

102595-02-M-1540

EXHIBIT I

EXHIBIT I

3. Identify and provide copies of all Documents that refer or relate to any relationship and/or agreement between La Paz Source, LLC and the entities described in Demand #2.

There is no such thing as an agreement or relationship between La Paz Source, LLC and the entities described in Demand #2. Maria Beltran and Francisco Ramos have never even met Felix Ortiz or Mauricio Urgante. Nor have either of them been to the Home Modification Services office.

4. Identify and Provide a copy of any business license, contractor's license, license with the Department of Financial Institutions or any other licenses issued to La Paz by the State of Arizona or any government entity within the State of Arizona. If none, please explain the authority under which La Paz conducted or conducts business in Arizona.

Limited Liability Company (find a certificate in disk 2)

Maria:

We are a responsible company and I am aware that there is a license that must be obtained in order to continue working in this field. I want to inform you that I have not been neglecting it, on the contrary, I have been preparing for that necessary license. Proof of my preparation to acquire the license is attached. I have completed a Mortgage Loan Originator course as well as a Mortgage Broker Licensing course. Once we have completed responding this Investigative Demand I will schedule an exam date for my Mortgage Loan Originator License and will also schedule an exam date for my Mortgage Broker License in the next month.

5. Provide a copy of any license issued to La Paz by any government entity outside of Arizona. This includes, but is not limited to city, county, state, and federal agencies.

Aside from the LLC, there is no other license we have obtained.

6. Identify Your principal place(s) of business.

Phoenix Location:

4750 N. Black Canyon Hwy., Ste. #302
Phoenix, AZ 85017

Tucson Location:

2012 E. Broadway Blvd., Ste. #101
Tucson, AZ 85719

EXHIBIT J

EXHIBIT J



www.makingallhomesaffordable.com

INVOICE

Office 602 774 2500
Office 520 463 6242
Info@maha4u.com

CUSTOMER INFORMATION

Customer Name	Vicente	Rep. Name	FRANCESCO
Address		Date	11/10/11
City, State, Zip	Phoenix, AZ 85019	Home Phone	
e-mail		Cell Phone	

PRODUCT DESCRIPTION

AMOUNT

1 MAHA DIY Loan Modification Program *check #163 with 126-0*
(Customer technical e-mail support available for the first 3 months)

\$1477.99

PAYMENT TERMS

(Please select your payment plan by writing your name and placing your initials on your selection)

1 Payment
1 Payment of \$1,499.99 + Tax

My Name
My Initials

2 Payments
1st Payment Today
2nd Payment in 15 Days
2 Payments of \$750.00 + Tax
(Your total \$1,500.00 + Tax)

My Name
My Initials

3 Payments
1st Payment Today
2nd Payment in 15 Days
3rd Payment in 30 Days
3 Payments of \$575.00 + Tax
(Your total \$1,725.00 + Tax)

My Name
My Initials

SUBTOTAL \$

(9.3%) TAX \$ 167.99

TOTAL \$ 1645.98



DISCLAIMER DISCLOSURE

When purchasing this product, the purchaser, herein mentioned as the "Client", certifies that he or she agrees and fully understands the following:

- Client agrees that he or she has reviewed the program and has decided that this software is what he or she needs at this time for their Loan Modification.
- Client fully understands that after the purchase of this product he or she is not entitled to any type of refund regardless of the outcome of the Loan Modification.
- Client understands that a successful Loan Modification depends on many factors such as: Lender's willingness to cooperate and demonstration of financial hardship to the bank.
- Client understands that the "MAHA Do It Yourself" DIY program is a system that allows the client / purchaser to structure his or her loan modification by themselves, MAHA representatives or associates do not participate in the preparation of the client's loan modification process.
- Client understands that a Loan Modification is time consuming and that no set time frame can be given.
- Client is aware that the calls from his or her bank to collect any past due payments will continue regardless of the modification process.
- Client understands that MAHA's representatives are not attorneys and / or they do not provide legal advice.
- Client has not relied on any representation from MAHA other than those explicitly set forth in writing as a part of the transaction.
- Client waives any claims of undue influence, duress, or unconscionable ability.
- Client understands that MAHA is simply a guide to properly structuring a Loan Modification package and is not responsible for any of the information that he or she may enter.
- Client understands that it is his or her responsibility to continue any necessary follow-ups with the bank.
- Client understands that MAHA is not 100% guaranteeing a successful Loan Modification and releases MAHA from any liability in case that a Loan Modification is not achieved.
- Client certifies that he or she received an explanation in Spanish by a MAHA representative, and understood the information given throughout this contract.
- Client understands that the "MAHA DIY Program" is written in English and so are his or her documents with the financial institution that holds their mortgage. Client also understands that he or she will seek assistance to translate this program with someone that fully understands the English language.
- Client will have access to their MAHA program indefinitely, however technical support will only be available for the first 3 months, after those 3 months have elapsed a charge of \$99.00 a month will apply to have access to this service.
- Technical support includes the ability to ask questions and receive prompt answers via email to our staff of experienced agents.
- Our agents aid the customer in the understanding of the MAHA program.
- The MAHA website offers its customers an area called "Additional Tools". In this area MAHA provides a referral service from different independent businesses which in turn, offer their own services & products, and these services and products are not included in the price of the MAHA program. These separate businesses and entities are recommended by MAHA, but their products & services need to be paid for by the customer.

CUSTOMER NAME

SIGNATURE

EXHIBIT K

EXHIBIT K



TOM HORNE
ATTORNEY GENERAL

OFFICE OF THE ARIZONA ATTORNEY GENERAL
PUBLIC ADVOCACY DIVISION
CONSUMER PROTECTION & ADVOCACY SECTION

JEREMY T. SHORBE
ASSISTANT ATTORNEY GENERAL
TELEPHONE: (520) 628-
FACSIMILE: 520-628-
CONSUMERINFO@TUCSON.AZAG.GOV

March 30, 2012

VIA CERTIFIED MAIL AND EMAIL AND FAX

La Placita Multi Services, L.L.C
Attn: Maria Beltran and/or Arturo Gomez Leon
4072 E. 22nd Street
Tucson, Arizona 85711

LaPlacitaMultiServicesllc@Yahoo.Com
Fax: 520.790.3310

Dear Mr. Leon and/or Ms. Beltran,

This is the second such letter that our office has issued to a company run by Maria Beltran. Our office sent the last letter of this nature to La Paz Source, LLC on December 12, 2011. You have been twice put on notice. The Consumer Protection and Advocacy Section of this Office recently received a complaint involving La Placita Multi Services, L.L.C that suggests that your company may be in violation of the Federal Trade Commission's Mortgage Assistance Relief Services ("MARS") Rule that applies to nearly all persons providing loan modification or principal reduction services to homeowners. In addition, it appears that you may also be in violation of Arizona laws regarding foreclosure consultants.

Effective January 31, 2011, the MARS Rule prohibits nearly all persons providing loan modification services from requesting or receiving payment for their services (including processing services) until their customers have received and accepted loan modification offers from the customers' loan holder or servicer. You can find the text of the MARS Rule online at <http://www.ftc.gov/os/fedreg/2010/december/R911003mars.pdf>.

Moreover, as you should already be aware, on July 29, 2010, providers of "foreclosure consultant" services in Arizona became subject to a new law that prohibits them from charging or collecting any fees prior to performing promised services. A.R.S. § 44-1378 *et seq.* The text of the foreclosure consultant law can be viewed at: <http://www.azleg.gov/ArizonaRevisedStatutes.asp>.

The Arizona Attorney General's Office has the authority to enforce both the Arizona "foreclosure consultant" ban on upfront fees, as well as the federal prohibition under the MARS Rule, either as a direct violation of that rule or, separately, as a violation of the Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.* Be advised that this Office intends to use every

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available legal tool to enforce these laws and to take appropriate action for any acts or practices that violate these laws or the Arizona Consumer Fraud Act. The Act provides substantial civil sanctions, including civil penalties of up to \$10,000 per violation, restitution, injunctive relief and attorney's fees and costs.

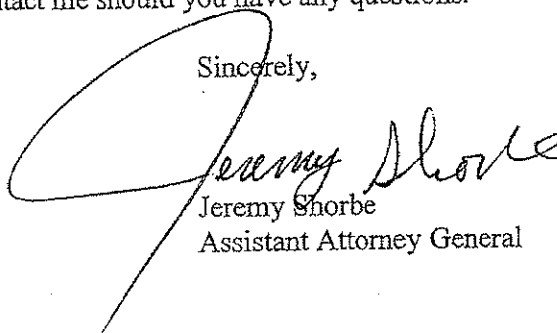
I am including with this letter a complaint from the following consumer:

	Name of Consumer	Complaint No.
1.	Frank V [REDACTED]	12-4162

It appears that this consumer is entitled to recover the monies that La Placita Multi Services, L.L.C collected prior to obtaining a loan modification on behalf of that customer. Please either (1) reimburse this consumer and provide me with proof of said payment, or (2) provide a written explanation as to why La Placita Multi Services, L.L.C is not responsible for making said payment.

I would appreciate receiving a response from you within the time allotted to respond to the enclosed complaint. Please contact me should you have any questions.

Sincerely,



Jeremy Shorbe
Assistant Attorney General

JTS/bv

Phx-#2642984

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LA PLACITA MULTI SERVICES, LLC
ATTN: MARIA BELTRAN
AND/OR ARJURO GOMEZ LEON
4072 E. 22ND ST.
TUCSON, AZ 85711

12-4162

2. Article Number
(Transfer from service label)

7010 0780 0000 2644 7112

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes